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# HOUSE BILL No. 1685

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-6-5.5.

**Synopsis:** Commercial motor vehicle excise tax. Exempts certain farm trailers from the commercial vehicle excise tax in order to assess and tax the farm trailers as personal property. Makes transitional provisions.

**Effective:** January 1, 2002.

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## Ruppel, Lytle, Friend

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January 17, 2001, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

## HOUSE BILL No. 1685

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-6-5.5-1, AS ADDED BY P.L.181-1999,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2002]: Sec. 1. (a) Unless defined in this section, terms  
4 used in this chapter have the meaning set forth in the International  
5 Registration Plan or in IC 6-6-5 (motor vehicle excise tax). Definitions  
6 set forth in the International Registration Plan, as applicable, prevail  
7 unless given a different meaning in this section or in rules adopted  
8 under authority of this chapter. The definitions in this section apply  
9 throughout this chapter.  
10 (b) As used in this chapter, "base revenue" means the minimum  
11 amount of commercial vehicle excise tax revenue that a taxing unit will  
12 receive in a year.  
13 (c) As used in this chapter, "commercial vehicle" means any of the  
14 following:  
15 (1) An Indiana-based vehicle subject to apportioned registration  
16 under the International Registration Plan.  
17 (2) A vehicle subject to apportioned registration under the

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International Registration Plan and based and titled in a state other than Indiana subject to the conditions of the International Registration Plan.

(3) A truck, tractor, trailer, semitrailer, or truck-tractor subject to registration under IC 9-18.

(d) As used in this chapter, "declared gross weight" means the weight at which a vehicle is registered with:

(1) the bureau; or

(2) the International Registration Plan.

(e) As used in this chapter, "department" means the department of state revenue.

(f) **As used in this chapter, "exempt farm trailer" means a trailer that:**

**(1) has a declared gross weight of more than three thousand (3,000) pounds; and**

**(2) is used by the owner or guest occupant in connection with agricultural pursuits usual and normal to the user's farming operation.**

**However, the term does not include a semitrailer used primarily as a farm semitrailer.**

(g) As used in this chapter, "fleet" means one (1) or more apportionable vehicles.

(~~g~~) (h) As used in this chapter, "gross weight" means the total weight of a vehicle or combination of vehicles without load, plus the weight of any load on the vehicle or combination of vehicles.

(~~h~~) (i) As used in this chapter, "Indiana-based" means a vehicle or fleet of vehicles that is base-registered in Indiana under the terms of the International Registration Plan.

(~~i~~) (j) As used in this chapter, "in-state miles" means the total number of miles operated by a commercial vehicle or fleet of commercial vehicles in Indiana during the preceding year.

(~~j~~) (k) As used in this chapter, "motor vehicle" has the meaning set forth in IC 9-13-2-105(a).

(~~k~~) (l) As used in this chapter, "owner" means the person in whose name the commercial vehicle is registered under IC 9-18 or the International Registration Plan.

(~~l~~) (m) As used in this chapter, "preceding year" means a period of twelve (12) consecutive months fixed by the department which shall be within the eighteen (18) months immediately preceding the commencement of the registration year for which proportional registration is sought.

(~~m~~) (n) As used in this chapter, "semitrailer" has the meaning set



1 forth in IC 9-13-2-164(a).

2 ~~(n)~~ (o) As used in this chapter, "tractor" has the meaning set forth  
3 in IC 9-13-2-180.

4 ~~(o)~~ (p) As used in this chapter, "trailer" has the meaning set forth in  
5 IC 9-13-2-184(a).

6 ~~(p)~~ (q) As used in this chapter, "truck" has the meaning set forth in  
7 IC 9-13-2-188(a).

8 ~~(q)~~ (r) As used in this chapter, "truck-tractor" has the meaning set  
9 forth in IC 9-13-2-189(a).

10 ~~(r)~~ (s) As used in this chapter, "vehicle" means a motor vehicle,  
11 trailer, or semitrailer subject to registration under IC 9-18 as a  
12 condition of its operation on the public highways pursuant to the motor  
13 vehicle registration laws of the state.

14 SECTION 2. IC 6-6-5.5-2, AS AMENDED BY P.L.14-2000,  
15 SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
16 JANUARY 1, 2002]: Sec. 2. (a) Except as provided in subsection (b),  
17 this chapter applies to all commercial vehicles.

18 (b) This chapter does not apply to the following:

19 (1) Vehicles owned or leased and operated by the United States,  
20 the state, or political subdivisions of the state.

21 (2) Mobile homes and motor homes.

22 (3) Vehicles assessed under IC 6-1.1-8.

23 (4) Buses subject to apportioned registration under the  
24 International Registration Plan.

25 (5) Vehicles subject to taxation under IC 6-6-5.

26 (6) Vehicles owned or leased and operated by an institution of  
27 higher education (as defined in IC 6-3-3-5(d)).

28 (7) Vehicles owned or leased and operated by a volunteer fire  
29 department (as defined in IC 36-8-12-2).

30 (8) Vehicles owned or leased and operated by a volunteer  
31 emergency ambulance service that:

32 (A) meets the requirements of IC 16-31; and

33 (B) has only members that serve for no compensation or a  
34 nominal annual compensation of not more than three thousand  
35 five hundred dollars (\$3,500).

36 (9) Vehicles that are exempt from the payment of registration fees  
37 under IC 9-18-3-1.

38 (10) Farm wagons.

39 (11) A vehicle in the inventory of vehicles held for sale by a  
40 manufacturer, distributor, or dealer in the course of business.

41 **(12) Exempt farm trailers (as defined in section 1 of this**  
42 **chapter).**

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SECTION 3. IC 6-6-5.5-7, AS AMENDED BY P.L.14-2000, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 7. (a) For calendar years that begin after December 31, 2000, the annual excise tax for a commercial vehicle will be determined by the motor carrier services division on or before October 1 of each year in accordance with the following formula:

STEP ONE: Determine the total amount of base revenue to be distributed from the commercial vehicle excise tax fund to all taxing units in Indiana during the calendar year for which the tax is first due and payable. For calendar ~~year~~ **years 2001, 2002, and 2003**, the total amount of base revenue for all taxing units shall be determined as provided in section 19 of this chapter. For calendar years that begin after December 31, ~~2001~~, **2003**, the total amount of base revenue for all taxing units shall be determined by multiplying the previous year's base revenue for all taxing units by one hundred five percent (105%).

STEP TWO: Determine the sum of fees paid to register the following commercial vehicles in Indiana under the following statutes during the fiscal year that ends June 30 immediately preceding the calendar year for which the tax is first due and payable:

(A) Total registration fees collected under IC 9-29-5-3 for commercial vehicles with a declared gross weight in excess of eleven thousand (11,000) pounds, including trucks, tractors not used with semitrailers, traction engines, and other similar vehicles used for hauling purposes;

(B) Total registration fees collected under IC 9-29-5-5 for tractors used with semitrailers;

(C) Total registration fees collected under IC 9-29-5-6 for semitrailers used with tractors;

(D) Total registration fees collected under IC 9-29-5-4 for trailers having a declared gross weight in excess of three thousand (3,000) pounds; and

(E) Total registration fees collected under IC 9-29-5-13 for trucks, tractors and semitrailers used in connection with agricultural pursuits usual and normal to the user's farming operation. ~~multiplied by two hundred percent (200%);~~

STEP THREE: Determine the tax factor by dividing the STEP ONE result by the STEP TWO result.

(b) Except as otherwise provided in this chapter, the annual excise tax for commercial vehicles with a declared gross weight in excess of eleven thousand (11,000) pounds, including trucks, tractors not used

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with semitrailers, traction engines, and other similar vehicles used for hauling purposes, shall be determined by multiplying the registration fee under IC 9-29-5-3 by the tax factor determined in subsection (a).

(c) Except as otherwise provided in this chapter, the annual excise tax for tractors used with semitrailers shall be determined by multiplying the registration fee under IC 9-29-5-5 by the tax factor determined in subsection (a).

(d) Except as otherwise provided in this chapter, the annual excise tax for trailers having a declared gross weight in excess of three thousand (3,000) pounds shall be determined by multiplying the registration fee under IC 9-29-5-4 by the tax factor determined in subsection (a).

(e) The annual excise tax for a semitrailer shall be determined by multiplying the average annual registration fee under IC 9-29-5-6 by the tax factor determined in subsection (a). The average annual registration fee for a semitrailer under IC 9-29-5-6 is sixteen dollars and seventy-five cents (\$16.75).

(f) The annual excise tax determined under this section shall be rounded upward to the next full dollar amount.

SECTION 4. IC 6-6-5.5-7.5, AS ADDED BY P.L.181-1999, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 7.5. Notwithstanding any other provision, the annual excise tax for a motor vehicle ~~trailer~~, or semitrailer and tractor operated primarily as a farm truck ~~farm trailer~~, or farm semitrailer and tractor as described in IC 9-29-5-13 is fifty percent (50%) of the amount listed in this chapter for a truck ~~trailer~~, or semitrailer and tractor of the same declared gross weight.

SECTION 5. IC 6-6-5.5-19, AS AMENDED BY P.L.14-2000, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 19. (a) As used in this section, "assessed value" means an amount equal to the true tax value of commercial vehicles that:

(1) are subject to the commercial vehicle excise tax under this chapter; and

(2) would have been subject to assessment as personal property on March 1, 2000, under the law in effect before January 1, 2000.

(b) For calendar ~~year~~ years 2001, **2002, and 2003**, a taxing unit's base revenue shall be determined as provided in subsection (f). For calendar years that begin after December 31, ~~2001~~, **2003**, a taxing unit's base revenue shall be determined by multiplying the previous year's base revenue by one hundred five percent (105%).

(c) The amount of commercial vehicle excise tax distributed to the

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1 taxing units of Indiana from the commercial vehicle excise tax fund  
 2 shall be determined in the manner provided in this section. On or  
 3 before June 1, 2000, each township assessor of a county shall deliver  
 4 to the county assessor a list that states by taxing district the total  
 5 assessed value as shown on the information returns filed with the  
 6 assessor on or before May 15, 2000.

7 (d) On or before July 1, 2000, each county assessor shall certify to  
 8 the county auditor the assessed value of commercial vehicles in every  
 9 taxing district.

10 (e) On or before August 1, 2000, the county auditor shall certify the  
 11 following to the state board of tax commissioners:

12 (1) The total assessed value of commercial vehicles in the county.

13 (2) The total assessed value of commercial vehicles in each taxing  
 14 district of the county.

15 (f) The state board of tax commissioners shall determine each taxing  
 16 unit's base revenue by applying the current tax rate for each taxing  
 17 district to the certified assessed value from each taxing district. The  
 18 state board of tax commissioners shall also determine the following:

19 (1) The total amount of base revenue to be distributed from the  
 20 commercial vehicle excise tax fund in 2001, **2002, and 2003** to  
 21 all taxing units in Indiana.

22 (2) The total amount of base revenue to be distributed from the  
 23 commercial vehicle excise tax fund in 2001, **2002, and 2003** to  
 24 all taxing units in each county.

25 (3) Each county's total distribution percentage **for 2001**. A  
 26 county's total distribution percentage shall be determined by  
 27 dividing the total amount of base revenue to be distributed in  
 28 2001 to all taxing units in the county by the total base revenue to  
 29 be distributed statewide.

30 (4) **Each county's total distribution percentage for 2002. A**  
 31 **county's total distribution percentage shall be determined by**  
 32 **dividing the total amount of base revenue to be distributed in**  
 33 **2002 to all taxing units in the county by the total base revenue**  
 34 **to be distributed statewide.**

35 (5) **Each county's total distribution percentage for 2003. A**  
 36 **county's total distribution percentage shall be determined by**  
 37 **dividing the total amount of base revenue to be distributed in**  
 38 **2003 to all taxing units in the county by the total base revenue**  
 39 **to be distributed statewide.**

40 (6) Each taxing unit's distribution percentage **for 2001**. A taxing  
 41 unit's distribution percentage shall be determined by dividing  
 42 each taxing unit's base revenue by the total amount of base

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revenue to be distributed in 2001 to all taxing units in the county.

**(7) Each taxing unit's distribution percentage for 2002. A taxing unit's distribution percentage shall be determined by dividing each taxing unit's base revenue by the total amount of base revenue to be distributed in 2002 to all taxing units in the county.**

**(8) Each taxing unit's distribution percentage for 2003. A taxing unit's distribution percentage shall be determined by dividing each taxing unit's base revenue by the total amount of base revenue to be distributed in 2003 to all taxing units in the county.**

(g) The state board of tax commissioners shall certify each taxing unit's base revenue and distribution percentage for calendar ~~year~~ **years** 2001, **2002, and 2003** to the auditor of state on or before September 1 ~~2000~~ **of each year.**

(h) The auditor of state shall keep permanent records of each taxing unit's base revenue and distribution percentage for calendar year ~~2001~~ **2003** for purposes of determining the amount of money each taxing unit in Indiana is entitled to receive in calendar years that begin after December 31, ~~2001~~ **2003.**

SECTION 6. [EFFECTIVE JANUARY 1, 2002] **IC 6-6-5.5-2, as amended by this act, applies to exempt farm trailers (as defined in IC 6-6-5.5-1, as amended by this act) registered after December 31, 2001.**

SECTION 7. [EFFECTIVE JANUARY 1, 2002] **Before May 15, 2002, the owner of an exempt farm trailer (as defined in IC 6-6-5.5-1, as amended by this act) shall file a personal property return under IC 6-1.1-3-7 for the assessment of the exempt farm trailer for property taxes first due and payable in calendar year 2003.**

SECTION 8. [EFFECTIVE JANUARY 1, 2002] **For property taxes due and payable in calendar year 2003, the state board of tax commissioners shall increase the maximum ad valorem property tax levy for each taxing unit for the addition of exempt farm trailers (as defined in IC 6-6-5.5-1, as amended by this act) to the unit's assessed value.**

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